



## 1998 SMALL BUSINESS PROFILE

### SMALL BUSINESS: HEART OF THE NEVADA ECONOMY

The importance of small business to the state of Nevada is apparent in the 1998 Small Business Profile. This year's findings, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, indicate that small businesses are vital to the state's economy. Not only do small businesses play a critical role by efficiently reallocating the state's resources and injecting new ideas into the economy with business starts and stops, but their diversity and composition provide the work force with many opportunities.

**Number of Businesses** - In 1997, Nevada had 39,518 businesses with employees; 95.8 percent of the businesses were small businesses (percent based on 1995 data for businesses with fewer than 500 workers). In addition to the number of employer businesses, the state also had 192,000 self-employed persons in 1997.

**Small Business Income** - The income of sole proprietors and partners rose 6.4 percent to \$3.6 billion in 1997, while wage-and-salary income rose 7.4 percent. The state also exported \$0.8 billion of goods in 1997. (In 1992, 77.2 percent of the exporters in the state were small businesses.)

**Women-Owned Businesses** - According to The National Foundation for Women Business Owners, as of 1996, there were 47,100 women-owned businesses in Nevada, including part-time firms, employing 130,500 people and generating \$13.4 billion in sales. Between 1987 and 1996, the number of women-owned businesses increased 130.0 percent.

**Minority Businesses** - According to the latest Bureau of the Census data, the number of black-owned firms, including part-time firms, increased 73.3 percent from 1987 to 1992, totaling 1,736 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 120.7 percent during the same time period with 3,900 firms in 1992. There has also been a marked increase in the number of businesses owned by Asian and Pacific Islanders, American Indians, and Alaskan Natives. The number for this group grew from 1,395 in 1987, to 2,769 in 1992, representing a 98.5 percent increase.

**Business Turnover** - Between 1996 and 1997, the number of new firms increased 2.7 percent, while new business incorporations increased 16.3 percent. Financial difficulties leading to business bankruptcies decreased by 7.0 percent and business failures increased by 33.2 percent.

**Finance** - An SBA Office of Advocacy study found that the number of banks in Nevada increased from 21 in 1994 to 23 in 1997. The study also found the top lenders to small businesses in FY 1997 were:

Bank Name	Location
FIRST NB	Ely
GREAT BASIN BK	Elko
BANKWEST OF NV	Las Vegas
FIRST SCTY BK OF NV	Las Vegas
FIRST REPUBLIC SVG BK	Las Vegas
CITIBANK NV NA	Las Vegas

Small businesses seeking loans should also consider banks that participate in SBA loan programs. To locate an SBA preferred or certified lender near you, call 1-800-8-ASK-SBA.

**Job Growth** - From 1992 to 1996, small businesses (fewer than 500 employees) created 47.8 percent of the net new jobs. The figures below indicate the importance of small businesses as job creators.

Number of Jobs Created by Major Industry and Employment Size of Firm, 1992-1996

Industry	1-4	5-19	20-99	100-499	500+	Totals
All Industries	65,960	30,345	26,487	30,118	166,760	319,670
Manufacturing	1,738	1,534	2,222	(664)	(350)	4,479
Retail Trade	12,222	5,043	3,516	9,267	(1,681)	28,368
Services	33,873	11,563	9,205	7,908	170,203	232,751
Other	18,128	12,206	11,545	13,607	(1,411)	54,073

**Industries** - Small firms in the state are represented in many industries. The Special Trade Contractors industry is the largest small business employer in Nevada, followed by Eating & Drinking Places. The fastest growing industry for small business is Stone, Clay, Glass, & Concrete Products (represents industries that were at least 0.25 percent of the 1995 total). The following three tables provide information about the small business sector in the state.

Table 1, Top Five Industries by Employment, 1995

Industry	SIC	Total Empl.	Percent of total	Percent small
Total - All Industries	1	672,260	100.0	45.8
Hotels, Rooming Houses, Camps & Oth. Lodg.	7000	180,167	26.8	8.3
Eating & Drinking Places	5800	44,662	6.6	64.2
Health Services	8000	42,691	6.4	45.2
Special Trade Contractors	1700	37,240	5.5	93.5
Business Services	7300	35,311	5.3	55.0

Table 2, Top Small Business Industries by Employment, 1995

Industry	SIC	Small Bus. Empl.	Percent of total	Percent Small
Total - All Industries	1	307,590	100.0	45.8
Special Trade Contractors	1700	34,826	5.5	93.5
Eating & Drinking Places	5800	28,652	6.6	64.2
Business Services	7300	19,435	5.3	55.0
Health Services	8000	19,309	6.4	45.2
Hotels, Rooming Houses, Camps & Oth. Lodg.	7000	14,889	26.8	8.3

Table 3, Fastest Growing Industries in Employment for Small Business, 1994 - 1995

Industry	SIC	Small Bus. Empl. 1995	Net change	Percent change
Total - All Industries	1	307,590	22,972	7.5
Stone, Clay, Glass, & Concrete Products	3200	1,907	770	40.4
Electric, Gas, & Sanitary Services	4900	857	285	33.3
Loc. & Subur. Transit & Interurb. Hway. Trans.	4100	2,269	467	20.6
Transportation Services	4700	2,114	400	18.9
General Merchandise Stores	5300	276	52	18.8

**Sources:** Office of Advocacy, U.S. Small Business Administration from data provided by the Department of Commerce, Department of Labor, Administrative Office of the U.S. Courts, Federal Reserve Board, Dun & Bradstreet Corporation, National Foundation for Women Business Owners, and Cognetics, Inc.